1	2	3
RIDF VII	1623	1498
RIDF VIII	607	31
RIDF IX	45	12
RIDF X	2600	251
RIDF XI	953	38
RIDF XII	6713	0
RIDF XIII	781	0
TOTAL:	29115	16787

Recession in stock market

†3029. SHRI LALIT KISHORE CHATURVEDI: Will the Minister of FINANCE be pleased to state:

(a) the details of fluctuation taken place in the stock market during the tenure of present Government;

(b) whether international factors are responsible for the present crash of the market;

(c) if so, the details thereof; and

(d) the deails of various crashes taken place during the tenure of present Government, the financial losses incurred therein and the efforts made to control such crashes in the market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) SEBI has informed that during the period May 24, 2004 to March 31, 2008 Sensex has moved from the levels of 5123.23 to 15644.44 and Nifty has moved from the levels of 1608.85 to 4734.5. The close to close (Year-wise) returns (%) of Sensex and Nifty since May 24, 2004 is as follows:

Year	Sensex Returns	Nifty Returns
May 24, 2004—March 31, 2005	26.73%	26.53%
2005-06	70.78%	64.56%
2006-07	13.04%	10.03%
2007-08	25.6%	30.3%

(b) and (c) The Sensex moves up or down depending on the changing perceptions of investors — domestic and overseas, retail and institutional — about the economy, the sector and the company. This perception as influenced by many factors including the macro-economic enviornment, the growth potential of the economy, policy credibility of the government, corporate performance, domestic and international events and market sentiments. The recent movement in the stock markets is attributed among other factors, to U.S. sub-prime mortgage crisis, decrease in interest rates by the US Fed, Yen carry trade, rise in oil prices etc.

(d) Details of fall in Sensex (more than 5%) during the period May 24, 2004 to March 31, 2008 are as follows:

† Original notice of the question was received in Hindi.

Date	Sensex	Change in points	%change
18-may-06	11391.43	-826.38	-6.76
21-Jan-08	17605.35	-1408.35	-7.41
3-Mar-08	16677.88	-900.84	-5.12
17-Mar-08	14809.49	-951.03	-6.03

The loss or gain arising from market movements is national. This arises continuously with change in the value of the portfolios of investors with changes in prices of constituent securities. However, the actual loss or gain to particluar investors depends on the investment time horizon of those investors.

The authorities do not try to manage or control movement of stock indices. They have put in place systems and practices to promote a safe, transparent and efficient market and to protect market integrity. The systems instituted include advanced risk management mechanisms comprising on-line monitoring and surveillance, various limits on positions, margin requirements, circuit filters, etc.

Criteria for fixing premium of face value of share

†3030. SHRI BANWARI LAL KANCHHAL: Will the Minister of FINANCE be pleased to state:

(a) Whether Government has fixed any criteria for the premium taken on face value of share when an issue is brought in the market;

(b) if not, the reasons for giving free hand to companies for fixation of premium on face value of shares; and

(c) the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir.

(b) and (c) The SEBI (Disclosure and Investor Protection) Guidelines, 2000 permit an unlisted company eligible to make an IPO to price its equity shares or any securities convertible at a later date into equity shares subject to certain disclosures. The company is, however, required to indicate the basis for issue price in the prospectus with the help of relevant qualitative and quantitative factors. Further, book building mechanism is used to discover prices within a band and such price bands are also revised depending on the circumstances. In such cases, the issue becomes successful only if it elicits certain minimum subscriptions from qualified institutional investors who are capable of taking informed investment decisions.

Under the current regulatory regime the price is discovered by the market, while the authorities endeavour to make all relevant information available to market participants - issuers and investors - to make informed investment decisions.

Control in FII investment

3031. SHRI M. V. MYSURA REDDY: Will the Minister of FINANCE be pleased to state:

† Original notice of the question was received in Hindi.